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European Union

Grain and Feed

Weekly rice report, Brussels, January 23, 2001

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Report Highlights:

This weekly report contains data on rice prices in the U.S., Thailand and the EU. It also lists current import duties and export subsidies in the EU. All information will be published as such in the weekly USDA publication "Rice Market News".

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Brussels USEU [BE2], E2

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(1) MARKET SUMMARY

Although a general rice price increase is expected to occur in the U.S., there are no signs of this happening yet. Market sources report that the holding off can be explained by larger than anticipated rice stocks and less purchasing by traditional U.S. export markets.

Thai rice markets will again enter a slow period now that the Chinese New Year holiday period has started. Despite good demand for fragrant rice, prices have not strengthened for these varieties. For white rice, Thai exporters are pessimistic with regard to short term price prospects due to low buying interest from third countries. Hopes are high that the Philippines will soon buy 200,000 MT of Thai rice.

In the EU, prices remained flat in the domestic market. Exporters under free market tenders succeeded in obtaining higher subsidies awarded during the EU Grain management meeting of January 18. The debate on the Everything but Arms (EBA) Initiative of Directorate-General Trade continues, with some proposed amendments widely publicized, though not yet adopted. For rice, the staged liberalization may be postponed to 2006-2008, but zero-tariff quotas may apply between the present and 2006. Quota volumes will be based on recent trade, increasing annually by 15 percent. The new EBA proposal will be on the agenda of the February General Affairs Council.

COMMISSION AWARDS UNDER OPEN MARKET EXPORT TENDERS, EU GRAIN MANAGEMENT COMMITTEE MEETING OF JANUARY 18, 2001.

- 1) Wholly milled round grain rice to Zones I to VI (excl. Turkey and Hungary) and Zone VIII (excluding Guyana, Madagascar and Surinam), Comm. Reg. 2281/2000: 1,300 MT of bids, 900 MT of licenses awarded at a maximum export subsidy of EUR 217/MT.
- 2) Wholly milled MG and LG A rice to Bulgaria, Estonia, Latvia, Lithuania, Poland, Czech Republic, Romania, Slovenia, and Slovakia, Comm. Reg. 2282/2000: 150 MT of bids, 50 MT of licenses awarded at a maximum export subsidy of EUR 212/MT.
- 3) Wholly milled MG and LG A rice to Zones I to VI (excl. East Europe and Turkey) and Zone VIII (excluding Guyana, Madagascar and Surinam), Comm. Reg. 2283/2000: 2,877 MT of bids, 1,827 MT of licenses awarded at a maximum export subsidy of EUR 227/MT.
- 4) Wholly milled LG rice to Zones I to VI (excl. Turkey and Hungary) and Zone VIII (excluding Guyana, Madagascar and Surinam), Comm. Reg. 2284/2000: 1,630 MT of bids, 650 MT of licenses awarded at a maximum export subsidy of EUR 307/MT.
- 5) Husked LG rice to Reunion, Comm. Reg. 2285/2000: 4,500 MT of bids, 4,000 MT of licenses awarded at a maximum export subsidy of EUR 314/MT.

(2) LOWEST OFFERING PRICES BASIS C&F ARAG (UNLESS OTHERWISE STATED)

(A) WHOLE LONG-GRAIN

	US\$/MT	US\$/100 LBS
	Bulk	Bulk
UNITED STATES:		
2 Milled 4 pct *	286.59	13.00
2 Brown 4/73 pct	253.52	11.50
1 Brown parb 4/88 **	284.38	12.90
Medium Milled 2/4 *	270.05	12.25

* F.A.S. basis

** While nominal price quotes are for 1 BROWN PARB 4/88, these quotes in reality refer to rice that meets all U.S. No.1 requirements except for one or two categories. Current and historical trade practice is for rice shipped to the EU to be graded only as No.2 and to be further processed upon arrival.

	US\$/MT	US\$/100 LBS
	Bulk-Rotterdam	Bulk
THAILAND:		
TWR 100% B	240.00 C&F	10.89
Parb LZ 4-88%	245.00 C&F	11.11
Loonzain 100% B	222.00 C&F	10.07
A1 Super	185.00 C&F	8.39
Fragrant WR 100%	475.00 C&F	21.55
Fragrant LZ Super	420.00 C&F	19.05
Fragrant LZ Supreme	440.00 C&F	19.96

	Lira/kg	US\$/MT	US\$/100 LBS
	Bulk	Bulk	Bulk
EUROPEAN UNION *:			
Milled LG 5 Pct **	940	455.13	20.65
Milled parb LG **	1120	542.28	24.60

(B) WHOLE RMG

	Lira/kg	US\$/MT	US\$/100 LBS
	Bulk	Bulk	Bulk
ITALY*:			
Milled Medium **	1000	484.18	21.96
Camolino 5 Pct (FOB)***	N/A	N/A	N/A

*U.S / Lira exchange 01/23/01 \$1= 2065.35

** Domestic prices, converted into \$ from quotations in ITL/kg

*** export price

(3) IMPORT LEVIES ARE CHANGED SINCE 01/18/01

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	EUR/MT	EUR/MT	US\$/MT	US\$/MT
	General	ACP	General	ACP
Brown RG+MG Regul + Parb	264.00	88.06	245.26	81.81
Brown LG Regul + Parb	222.92	73.68	207.09	68.45
Milled RG Regul + Parb	416.00	133.21	386.46	123.75
Milled MG + LG Regul + Parb	416.00	133.21	386.46	123.75
Brokens	128.00	41.18	118.91	38.26

EURO/US\$ exchange rate 01/23/01 0.9290

(4) EXPORT SUBSIDIES ON RICE, effective 01/01/2001

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	EUR/MT	US\$/MT
Brown RG+MG+LG Reg, RG+MG+LG Parb, to Switzerland, Liechtenstein, Livigno and Campione d'Italia (R01)	155.00	144.00
Semi-milled RG+MG+LG Reg, RG+MG+LG Parb to Switzerland, Liechtenstein, Livigno and Campione d'Italia (R01)	155.00	144.00
Milled RG+MG+LG Reg, RG+MG+LG Parb, to Switzerland, Liechtenstein, Livigno and Campione d'Italia (R01)	194.00	180.23
Milled RG+MG+LG Reg, RG+MG+LG Parb, to destinations R02 (see below)	199.00	184.87

Milled RG+MG+LG Reg, RG+MG+LG Parb, to destinations R03 (see below)	204.00	189.52
Wholly milled rice RG+MG+LG, to Ceuta and Melilla (Destinat. 021 and 023)	199.00	184.87
Milled RG+MG+LG Reg, RG+MG+LG Parb, to destinations mentioned in Art. 34 of amended Comm. Reg. 3665/87 (=Supplies to internat. organiz. established in the EU, supplies to armed forces etc.) (Destination A97)	199.00	184.87

The issue of export licenses with advance fixing of the refund is suspended except for:

Destination R01: 3,000 MT

Destinations R02, R03: 3,009 MT

Destinations 021 and 023: 500 MT

Destination 064: 9,170 MT

Destination A97: 300 MT.

R01: Switzerland, Liechtenstein, communes of Livigno and Campione d'Italia

R02: Morocco, Algeria, Tunisia, Malta, Egypt, Israel, Lebanon, Syria, Ex-Spanish Sahara, Cyprus, Jordan, Iraq, Iran, Yemen, Kuwait, United Arab Emirates, Oman, Bahrain, Qatar, Saudi Arabia, West Bank/Gaza Strip, Estonia, Latvia, Lithuania, Poland, Czech Republic, Slovenia, Slovakia, Norway, Faroe Island, Iceland, Russia, Belarus, Bosnia and Herzegovina, Croatia, Yugoslavia, former Yugoslav Republic of Macedonia, Albania, Romania, Bulgaria, Georgia, Armenia, Azerbaijan, Moldova, Ukraine, Kazakhstan, Turkmenistan, Uzbekistan, Tajikistan, Kyrgyzstan.

R03: Colombia, Ecuador, Peru, Bolivia, Chile, Argentina, Uruguay, Paraguay, Brazil, Venezuela, Canada, Mexico, Guatemala, Honduras, El Salvador, Nicaragua, Costa Rica, Panama, Cuba, Bermuda, South Africa, Australia, New Zealand, Hong Kong SAR, A40, A11 except Suriname, Guyana and Madagascar.